CB150-A

Complete Dodger Show Preview

RV BUSINESS

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ON THE COVER: The high costs of litigation are throttling everyone in the stream of commerce. But now, proposed federal legislation to help untangle the product liability dilemma (page 32) and an innovative arbitration program (page 34) may help slice the escalating costs of doing business through the courts. Cover photo: Darryl Gray.

Perspective

An analysis of RVB's monthly survey of its Dealer Advisory Board Members

GAYLORD MAXWELL

	NEW						USED					
	FOR MONTH			YEAR-TO-DATE			FOR MONTH			YEAR-TO-DATE		
	JULY '85	JULY '84	% CHANGE	1985	1984	% CHANGE	JULY '85	JULY '84	% CHANGE	1985	1984	% CHANGE
MOTORHOMES	123	121	+ 1%	856	857	0	104	95	+ 9%	647	699	−18%
TRAVEL TRAILERS	93	113	−18%	682	754	−10%	102	108	− 6%	590	666	−11%
TRUCK CAMPERS	28	17	+65%	143	143	0	13	27	−52%	98	149	−34%
CAMPING TRAILERS	270	190	+42%	1221	1285	− 5%	58	38	+53%	278	219	+27%
FIFTH-WHEELS	39	29	+34%	214	264	−19%	12	8	+50%	68	69	− 1%

	FOR MONTH			YEAR-TO-DATE		
	JULY '85	JULY '84	% CHANGE	1985	1984	% CHANGE
SALES VOLUME	$10,403,867	$9,186,918	+13%	$66,652,921	$67,240,988	−1%
TOTAL UNIT SALES	841	746	+13%	4,797	5,105	−6%
NEW UNIT SALES	552	470	+17%	3,114	3,303	−6%
USED UNIT SALES	289	276	+ 5%	1,681	1,802	−7%

Something happened to 70 percent of the Dealer Advisory Board (DAB) members on the way to a bad year. They had a good July! It was definitely the best month so far this year for the DAB as a group, and clear proof that even if it has been a slow year so far, it doesn't have to continue that way for every dealer.

Four of the five categories of new RV types were up. Only travel trailers stayed in the minus column. Three categories of used units were up.

The picture for the year-to-date improved with the addition of July's sales, but it is generally still down. New motorhome and truck camper sales are about the same for the two years; all other categories are down. Year-to-date sales are down less than 1 percent.

There is a not-so-good side to the picture, however. Profits are definitely down. There have been sales at the expense of profits as dealers worked to lower their inventories. Many poor ratings were given in July along with many more fairs. The bottom didn't fall out, but it sagged.

Whether or not an upward trend has set in remains to be seen. There is nothing in particular about the economy that would suggest such, but the RV buying public isn't always predictable.

MOTORHOMES

It has been quite a struggle, but new motorhome sales have finally caught up with last year's tally. Most dealers are about equal with last year. Several of the larger dealerships on the DAB skidded a bit, but some of the multi-type dealers did exceptionally well. There is no particular pattern as to who is up and who is down. New-motorhome profits were down. No one rated them excellent; the range was from poor to good.

Although they are still moving reasonably well and bringing reasonably good profits, the supply of used motorhomes bears careful watching. Some dealers are already finding that their inventory is larger than they would like.

TRAVEL TRAILERS

New-unit sales are quite sluggish. Not even the DAB's large trailer specialists are getting significant numbers. Most sell 8 to 10 units per month—during the good months. Only one member of the board has sold more than 100 units so far this year, and that was with two lots. Profits were rated from fair to good for July.

Used units are faring as badly as new. Year-to-date, sales in that category are down even more than new sales.

Undoubtedly, part of the problem with travel trailer sales is that the price of a new unit added to the price of a new tow rig equals the price of a motorhome. In many cases, the motorhome wins.

TRUCK CAMPERS

Something very good happened to truck camper sales in July. The 65 percent increase in new-unit sales is most impressive. Equally impressive is the fact that twice as many dealers sold that RV type in July of this year than last. Two dealers reported good sales of lightweight and/or folding-top campers.

CAMPING TRAILERS

The tremendous increase in new-unit sales was due primarily to very successful sales by two dealers. One, a folding trailer specialist, moved more than a hundred units. The other, a dealer who sells all five RV types, sold 42. The former was celebrating the opening of a new store during which he offered his trailers at big discounts. The latter "just worked harder." Profits tended to be on the low side for everyone.

FIFTH-WHEELS

The 34 percent increase for the month is contrary to the drop in new-unit sales for the year-to-date. Both DAB fiver specialists had a good month, and several other dealers did better than usual. Profits were rated from poor to good. Δ

Perspective is a compilation of data provided by RVB's Dealer Advisory Board (DAB), a group comprised of 23 dealers representing a cross-section of the U.S. Dealer body. This report is an attempt to reflect the current retail sales picture; it does not purport to indicate RV production or factory sales to dealers.

Associations

OLGA MARKOWITZ

The **Texas Recreational Vehicle Association** (TRVA) has issued a legislative bulletin outlining the major changes in the Texas Dealer License Law, effective September 1, 1985. Dealers can expect to see these changes, among others, when they receive their dealer license renewal applications. It will be necessary for a dealer to specify what type of vehicles he/she will carry: 1) motor vehicles—Class A motorhomes; micro-minis, low profile; minis or Class C's; and vans; 2) travel trailers—fifth wheels, folding campers, truck campers and toppers. If a dealer proposes to carry more than one type of vehicle, separate fees—at $100 for each type of dealership—will be charged. Renewal applications will also require a sworn statement to include the following information: that a permanent furnished office is maintained, that a minimum of five vehicles are on display, that the applicant intends to remain in business for at least one year at the specified location, and that the dealership situated on real property owned or leased be under a written lease for a term of not less than one year. An outline of the additional new rules is available from TRVA, 3355 Bee Caves Road, Suite 104, Austin, Texas 78746.

Now available from the **Recreation Vehicle Industry Association** (RVIA) is the *1985 Membership Directory & Industry Buyers' Guide*. The 100-page directory lists the names and addresses of RVIA's 543 member companies. Complimentary copies have been sent to all RVIA member companies, and are available to nonmembers for $30 each plus $1 for postage and handling. Requests can be sent to RVIA's Publications Department, P.O. Box 2999, Reston, Virginia 22090. A new publication is available from RVIA. "1986 Recreation Vehicle Sales . . . A Year-End Report" reviews shipments from manufacturers to dealers. Shipments are detailed by state and region, product category, market share, unit size and retail value. A special section focuses on RV consumer demographics and marketplace growth since 1980. Copies are available for $5 plus 75 cents postage and handling, from RVIA, Department REV, P.O. Box 2999, Reston, Virginia 22090.

A colorful new brochure is available from **Go Camping America Committee** for free distribution to potential new campers. One section highlights various types of RVs now available for purchase or rent. Contact Gary LaBella at (703) 620-6003 for details.

The following charts regarding the RV industry in Indiana were released from the **Recreation Vehicle Indiana Council** (RVIC), a division of the Indiana Manufactured Housing Association Incorporated:

FACTS CONCERNING THE RECREATIONAL VEHICLE INDUSTRY IN INDIANA

Number of recreational vehicle manufacturing plants	120
Number of van conversion plants	200
Number of campgrounds and RV resorts	400
Number of RV retailers	200
Number of people employed in the RV industry	50,000

* *According to the April 1985 Labor Force Summary, Indiana Employment Security Division, there are 16,400 people directly employed in RV manufacturing. There are 400 RV resorts and campgrounds × an average of 3 employees = 1200. The Indiana Employment Security Division estimates that in any industry, two jobs are created in service and supply areas for each manufacturing job; therefore, there are another 32,800 jobs directly dependent on the RV industry.*

Recreational vehicles produced in USA in 1984	398,2009
Retail value of RV production in USA in 1984	$7,000,000,000
Recreational vehicles produced in Indiana in 1984	157,500
Retail value of RV production in Indiana in 1984	$2,500,000,000
Number of RVs sold by Indiana retailers in 1984	15,500
Retail value of RVs sold by Indiana RV retailers	$270,000,000

* *According to Richard Curtin, Ph.D., University of Michigan, it is estimated that 10 percent of all Indiana households own some type of recreational vehicle.*

RVIA, JULY

The marketing committee of the Recreation Vehicle Industry Association has announced that the total number of recreational vehicles shipped from manufacturers' plants during July 1985 was 29,900 units, down 4.8% from July 1984.

The shipment figures released by the association are contained in a report compiled for the membership by RVIA's marketing committee under the chairmanship of Allen Yoder Jr. of Jayco Incorporated, Middlebury, Indiana.

RV shipments were as follows in July 1985		July 1984	Percent Change	Cumulative 1985	Cumulative 1984	Percent Change
TRAVEL TRAILERS	4,600	5,800	- 20.7%	37,600	46,700	- 19.5%
PARK MODELS	500	400	+ 25.0%	4,400	4,300	+ 2.3%
FIFTH-WHEELS	1,600	1,600	0%	12,700	12,600	+ 0.8%
TRUCK CAMPERS	500	700	- 28.6%	4,600	5,500	- 16.4%
MULTI-USE VEHICLES	15,100	14,600	+ 3.4%	103,600	107,600	- 3.7%
TYPE A: MOTOR-HOMES	2,300	2,800	- 17.9%	21,300	25,500	- 16.5%
TYPE B: VAN CAMPERS	900	500	+ 80.0%	4,800	4,900	- 2.0%
TYPE C: MINI MOTOR-HOMES	1,900	2,300	- 17.4%	18,900	22,700	- 16.7%
FOLDING CAMPING TRAILERS	2,500	2,700	- 7.4%	23,100	25,800	- 10.5%
TOTALS	29,900	31,400	- 4.8%	231,000	255,600	- 9.6%

WDA QUARTERLY SALES FIGURES

RV Business publishes a quarterly report of sales statistics from the Warehouse Distributors Association (WDA). The chart shown here is based upon a representative sampling of WDA members, as compiled in the second quarter of 1985. While these statistics are not intended to be fully indicative of the sales volume among distributors in the RV and MH industries, they are presented here as an insight into the supplier/distributor industry.

SALES VOLUME

	SECOND-QUARTER SALES VOLUME	
	PERCENT CHANGE 1984 to 1985	RANGE OF CHANGE
REGION 1	+17.9%	+25.1% to - 6.9%
REGION 2	+4.9%	+25.9% to - 8.2%
REGION 3	- 3.4%	+49.0% to -22.8%
REGION 4	+16.9%	+34.8% to -20.7%
REGION 5	+ 5.8%	+31.6% to -25.4%
REGION 6	+ 1.0%	+34.7% to -13.8%

Region 1: Connecticut, Delaware, Maine, Maryland, Massachusetts, New Hampshire, New Jersey, New York, Pennsylvania, Rhode Island, Vermont, Virginia, West Virginia and Washington, D.C.; **Region 2:** Alabama, Florida, Georgia, Mississippi, North and South Carolina, and Tennessee; **Region 3:** Illinois, Indiana, Iowa, Kentucky, Michigan, Minnesota, Missouri, Nebraska, North and South Dakota, Ohio and Wisconsin; **Region 4:** Arkansas, Colorado, Kansas, Louisiana, Oklahoma, New Mexico and Texas; **Region 5:** Alaska, Arizona, California, Hawaii, Idaho, Montana, Nevada, Oregon, Utah, Washington and Wyoming; **Region 6:** Canada.